

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-278-E - ORDER NO. 2004-548
OCTOBER 28, 2004

IN RE: Application of Duke Energy Corporation for) ORDER
Approval to Expand its Equalized Payment) APPROVING
Plan (EPP) Option to Nonresidential) REQUEST
Customers Effective January 1, 2005.)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the letter of Duke Energy Corporation (Duke Power or the Company) requesting approval to expand Duke Power's Equalized Payment Plan (EPP) option to nonresidential customers effective January 1, 2005. A history of the EPP is in order.

In 1958, Duke Power filed with the Commission an EPP applicable only to residential, all-electric customers having good credit. With the advent of computer billing, in 1968, the Company filed a revision with the Commission making EPP available to good credit customers on other rate schedules, but few other than residential all-electric customers elected to use this option. In 1977, the Company filed to close the availability of EPP to commercial and industrial customers who had virtually no interest in the plan and typically had budgeted working capital funds to meet the variations of monthly usage. EPP, however, continued to be available to nonresidential eleemosynary customers, i.e. churches, lodges, scout huts, etc.

In 1996, Duke Power notified the Commission of its plan to estimate the EPP and offer the plan to customers who previously had been required to have at least 12 months'

usage, coupled with a periodic review and update of the monthly EPP amount as necessary. Recent discussions between Duke Power and nonresidential customers, particularly institutional customers such as schools, hospitals, etc. have showed renewed interest in an equalized payment plan.

Duke Power therefore requests the Commission's approval to reopen the availability of the EPP to customers on nonresidential rate schedules G, GA, GB, GT, I, IT and OPT. As provided for in the current Plan, to be eligible to participate, customers would be required to have good credit and additionally would be required to have 12 months' history. The customer's estimated annual usage would be divided by 11 to determine the monthly EPP amount. The twelfth month would be used as a settle up month. In the case of customers on seasonal rates or with seasonal usage patterns, Duke Power would reserve the right to limit enrollment periods to certain months of the year. In addition, whereas residential accounts are reviewed for adjustments to the monthly amount every six months, Duke proposes to review nonresidential accounts every 3 months.

We have examined Duke's filing in this matter, and hold that the request should be approved as filed. We agree with Duke Power that it is reasonable for the EPP to be reopened for the nonresidential rate schedules mentioned under the terms and conditions specified by the Company. Accordingly the request is approved as filed, and shall be effective January 1, 2005.

(SEAL)